AMERICA ONLINE
INCORPORATED

July 22, 1994

Brewster Kahle
President
WAIS, Inc.
1040 Noel Drive
Menlo Park, CA 94025

Dear Brewster:

As we discussed earlier this week, America Online wants to move forward with WAIS, Inc. on the *Lightning* project. It will enhance the value of America Online's publishing tools while simultaneously improving WAIS, Inc.'s Internet server technology.

Because we have a tight schedule to meet, AOL will make an advance payment of $25,000 so WAIS, Inc. can begin work while we put a contract in place for the complete project. If, for some unforeseen circumstance, we can not come to terms agreeable to both parties within 90 days, the payment will be non-refundable. Work completed in the interim will be jointly owned by AOL and WAIS, Inc. as described in your proposal to AOL dated July 1, 1994.

I look forward to working with you on this exciting and important project.

Regards,

Sunil Paul

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